

THAT CLAIMED IS:

1. A method of collecting fees for managing and optimizing the profitability of a plurality of physicians in a healthcare practice participating in an insurance network, the method comprising the steps of:

5 establishing a relationship between a healthcare consultation group and the healthcare practice participating in the insurance network to increase the physician's profitability by reducing a risk of not receiving a predetermined reimbursement amount for ancillary medical costs from the insurance network;

10 funding an incentive pool to be paid to the healthcare practice participating in the insurance network if the ancillary medical costs of the plurality of physicians in the healthcare practice do not decrease to a preselected level over a preselected period of time; and

15 distributing predetermined percentages of savings attributed to the physicians' modified ancillary medical cost management behavior.

2. The method as defined in Claim 1, wherein the step of distributing the predetermined percentages of the savings includes dividing the savings between the healthcare consultation group, the healthcare practice, and the insurance network.

3. The method as defined in Claim 2, further comprising collecting no fee if the healthcare practice does not reduce the ancillary medical costs to the preselected level over the predetermined period of time.

4. The method as defined in Claim 3, wherein each of the respective predetermined percentages of

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savings distributed to the healthcare consultation group and the healthcare practice are greater than the predetermined percentage of the savings distributed to the insurance network.

5 5. The method as defined in Claim 4, further comprises providing a billing structure wherein the savings are calculated by subtracting current ancillary medical costs from predetermined baseline ancillary medical costs.

5 6. The method as defined in Claim 5, further comprising calculating the fee for the healthcare consultation group by multiplying a predetermined percentage of the savings by the number of patients participating in the healthcare practice.

5 7. The method as defined in Claim 1, wherein the ancillary medical costs include any costs taken from the group of pharmacy, radiology, laboratory, anesthesiology, occupational therapy, physical therapy, speech therapy, therapeutic radiology, operating room, or emergency room costs.

10 8. A method of collecting fees for managing and optimizing the profitability of a plurality of physicians in a healthcare practice participating in an insurance network, the method comprising the steps of:

15 establishing a relationship between a healthcare consultation group and the healthcare practice participating in the insurance network to increase the physician's profitability by reducing a risk of not receiving a predetermined reimbursement amount for ancillary medical costs from the insurance network; and

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distributing predetermined percentages of savings attributed to the physicians' modified ancillary medical cost management behavior.

9. The method as defined in Claim 8, further comprises funding an incentive pool to be paid to the healthcare practice participating in the insurance network if the ancillary medical costs of the plurality of physicians in the healthcare practice do not decrease to a preselected level over a preselected period of time.

10. The method as defined in Claim 9, wherein the step of distributing the predetermined percentages of the savings includes dividing the savings between the healthcare consultation group, the healthcare practice, and the insurance network.

11. The method as defined in Claim 10, further comprising collecting no fee if the healthcare practice does not reduce the ancillary medical costs to the preselected level over the predetermined period of time.

12. The method as defined in Claim 11, wherein each of the respective predetermined percentages of savings distributed to the healthcare consultation group and the healthcare practice are greater than the predetermined percentage of the savings distributed to the insurance network.

13. A method of collecting fees for managing and optimizing the profitability of an insurance network having a plurality of physicians in a healthcare practice participating therein, the method comprising the steps of:

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establishing a relationship between a healthcare management consultation group and the healthcare practice participating in the insurance network to increase the insurance network's profitability
10 by limiting the plurality of physicians' ancillary medical cost management behavior that is not preferred by the insurance network; and

distributing predetermined percentages of savings attributed to the physicians' modified ancillary
15 medical cost management behavior.

14. The method as defined in Claim 13, further comprising funding an incentive pool to be paid to the insurance network if the modified medical management practices do not decrease ancillary medical costs of the
5 insurance network to a preselected level over a preselected period of time; and

15. The method as defined in Claim 14, wherein the step of distributing the predetermined percentages of the savings includes dividing the savings between the healthcare management consultation group, the healthcare
5 practice, and the insurance network.

16. The method as defined in Claim 15, further comprising collecting no fee if the insurance network does not decrease ancillary medical costs to the preselected level over the preselected period of time.

17. The method as defined in Claim 15, wherein each of the respective predetermined percentages of savings distributed to the healthcare consultation group and the insurance network are greater than the

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predetermined percentage of the savings distributed to the healthcare practice.

18. The method as defined in Claim 17, further comprises providing a billing structure wherein the savings are calculated by subtracting current ancillary medical costs from predetermined ancillary medical costs.

19. The method as defined in Claim 18, further comprising calculating the fee for the healthcare consultation group by multiplying a predetermined percentage of the savings by the number of patients participating in the healthcare practice.

20. The method as defined in Claim 13, wherein the ancillary medical costs include any costs taken from the group of pharmacy, radiology, laboratory, anesthesiology, occupational therapy, physical therapy, speech therapy, therapeutic radiology, operating room, or emergency room costs.

14
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